



# AmericanCoatings

ASSOCIATION<sup>SM</sup>

December 18, 2017

The Honorable Mitch McConnell  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Paul Ryan  
Speaker of the U.S. House of Representatives  
U.S. House of Representatives  
Washington, DC 20515

RE: H.R. 1, The Tax Cuts and Jobs Act; Statement of Support on behalf of the American Coatings Association, Inc.

Dear Majority Leader McConnell and Speaker Ryan:

The American Coatings Association (ACA) is pleased to submit this statement of support for H.R. 1, The Tax Cuts and Jobs Act.

ACA is a voluntary, non-profit trade association working to advance the needs of the paint and coatings industry and the professionals who work in it. The organization represents paint and coatings manufacturers, raw materials suppliers, distributors, and technical professionals. ACA serves as an advocate and ally for members on legislative, regulatory and judicial issues, and provides a forum for the advancement and promotion of the industry through educational and professional development services. ACA's membership represents over 90% of the total domestic production of paints and coatings in the country.

ACA's membership represents the \$30 billion paint and coatings industry in the United States, operating in all 50 states, and employing almost 290,000 people engaged in the manufacture and distribution of its products at over 46,000 establishments. All our businesses will benefit from the lower corporate tax rate in the Tax Cuts and Jobs Act.

## **ACA Supports a Lower Corporate Tax Rate, a More Robust Capital Cost Recovery Program and a system that facilitates U.S.-based Manufacturing**

The Tax Cuts and Jobs Act will benefit the paint and coatings industry in important ways. The most obvious benefit to our members is the lower corporate rate of 21% and elimination of the corporate alternative minimum tax (AMT). This is significant and will result in immediate tax savings to our members. This eliminates any confusion and uncertainty and will allow our manufacturers to focus on their businesses instead of burdensome paperwork.

Other provisions of H.R. 1 that will encourage innovation and spur investment, job creation and economic growth, such as the ability to immediately expense capital investments; the 20% deduction for

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pass-through business entities; and a more modern tax system which makes it easier to bring home foreign earnings without jeopardizing U.S.-based manufacturing.

A more robust capital recovery system will allow our coatings businesses to immediately write off the full cost of new equipment to improve operations and enhance the skills of their workers – unleashing growth of jobs, productivity, and paychecks. Preservation of the Research & Development Tax Credit is also vital to the coatings industry and encourages our businesses to develop cutting-edge “Made in America” products and services.

ACA believes that modernization of the tax code was essential so America’s global businesses will no longer be held back by an outdated “worldwide” tax system that results in double taxation for manufacturers producing abroad. H.R. 1 provides for a 15.5% rate for cash reserves held offshore and 8% for non-cash. This clarity will make it easier for American businesses to bring home foreign earnings to invest in growing jobs and paychecks in our local communities.

In October, ACA members visited with over 21 congressional offices and 30 staff members to deliver our message about tax reform. The current tax system is a regulatory quagmire that consistently undermines our manufacturers’ ability to compete and succeed in the global marketplace. We support H.R. 1 and believe that it will benefit manufacturers in America. We urge you to pass this bill.

Please do not hesitate to have your staff contact me should you have any questions or require additional information on this issue.

Best regards,



Andy Doyle  
President and CEO